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 SUBJECT: ZAMBIA: CROP FORECASTS FOR 2007/2008 SHOW SUFFICIENT
 SUPPLY

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¶1. (U) Summary. The Ministry of Agriculture has released its crop forecasts for the 2007/2008 agricultural season, as well as Zambia's food balance for the marketing season covering the period from May 1, 2008 to April 30, 2009. The figures show that on a national level estimated production, combined with existing food reserves, will be adequate to meet or even exceed Zambian demand. On a local level, however, the GRZ predicts food insecurity in communities that experienced adverse weather conditions, such as flooding, and as the result of poor internal transport and distribution. End Summary.

 Not a Bumper Harvest, But Adequate

¶2. (U) According to the Ministry of Agriculture's recently released crop forecast, Zambia's agricultural output for the 2007/2008 harvest will meet national demand. When Zambia's major staple food crops (maize, rice, wheat, sorghum, millet, potatoes, and cassava) are measured in maize equivalent, using kilocalories, the combined figure shows a modest staple food surplus of 564,547 metric tons. GRZ production estimates are listed below. Commodity demand figures include amounts to be purchased by the Food Reserve Agency (FRA). Commodity supplies consist of production estimates combined with existing FRA stock.

GRZ Estimates
 (in thousands of metric tons)

Staple Crops	2007/2008	2006/2007
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Maize Production	1,212	1,366
Maize Supply	1,602	1,799
Maize Requirements	1,459	1,549
Maize Surplus	143	250
 Cassava Production	 1,161	 1,186
Cassava Supply	1,163	
Cassava Requirements	735	
Cassava Surplus	428	463
 Rice Production	 24	 18
Rice Supply	27	
Rice Demand	37	
Rice Deficit	10	
 Wheat Production	 180	 185
Wheat Supply	206	

Wheat Demand	195
Wheat Surplus	11

Cash Crops	2007/2008	2006/2007
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Sorghum	10	13
Soy Beans	57	55
Sunflower	13	9
Groundnuts	71	55
Sweet Potatoes	107	76
Irish Potatoes	10	23
Cotton	100	87
Burley Tobacco	8	5
Virginia Tobacco	13	21

¶3. (U) The GRZ announced that Zambia will record a cassava surplus for the tenth year in a row. Cassava output has generally not been affected by stressful years when other staple foods are in deficit. The figures reflect production declines in most staple products, including maize, cassava, wheat, and sorghum. Anticipated increased output in groundnuts, sweet potatoes, and sunflower reflects some crop diversification.

 Poor Productivity/Weather Hinder Growth

¶4. (U) Regionally, Luapula, Eastern, Northern, and Copperbelt provinces increased their maize production levels by an estimated 24, 19, 24, and 15 percent respectively. The remaining five provinces, Southern, Lusaka, Central, Northwestern, and Western, experienced sharp declines (by 52, 51, 19, 14, and 13 percent respectively). The GRZ attributes lower maize productivity to water logging and flooding, inadequate access to agricultural inputs and

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extension services, and below normal rainfall in some parts of the country. Increased planting helped offset lower yields:

Maize Productivity
 (in metric tons/hectare, mt/ha)

	2007/2008	2006/2007
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Area Planted	928,224 ha	872,812 ha
Area Harvested	551,359 ha	586,503 ha
Yield Rate	1.31 mt/ha	1.57 mt/ha

¶5. (U) Yield rates of small and medium size farms (1.13 mt/ha) lag far behind those of large scale farms (4.51 mt/ha), which have access to irrigation and consequently are less affected by inclement weather conditions. Large scale farmers, utilizing higher quantities of fertilizer per hectare and more efficient crop management, managed to harvest 93 percent of their planted areas, compared to 58 percent for small and medium scale farmers. Consequently, large scale farmers who accounted for 18 percent of annual maize production in the 2007/2008 harvest, are expected to contribute to 33 percent of total maize sales during the 2008/2009 marketing season.

 Comment

¶6. (SBU) Post considers the GRZ production forecasts to be fairly reliable. Its supply estimates, however, may be overly optimistic. According to one assessment, approximately a third of FRA stock has spoiled, due to poor storage conditions and technology. If so, total supply may fall below levels of national demand, and Zambia may have to import the deficit or may seek increased humanitarian assistance, especially in the current climate.

¶7. (U) Although the national figures suggest overall food self-sufficiency, Zambia's incapacity to distribute aid to regions of the country affected by poor weather conditions means that some

rural communities will once more face serious food shortages. Subsistence farmers--even in provinces that recorded increased production--continue to suffer from poverty and hunger. These farmers generally do not have access to fertilizer, high-yield seeds, irrigation equipment, and agricultural services and lack storage technology, efficient farming techniques, and market access.

18. (SBU) The GRZ's existing agricultural budget consists primarily of providing (usually late) limited quantities of subsidized fertilizer and purchasing large stocks of maize for the FRA at non-market prices. Its export controls distort market prices and discourage agricultural investment. Until the GRZ develops and implements an agricultural policy that goes beyond guaranteed prices, trade barriers, and fertilizer support, which generally is diverted to commercial farmers who need government help least, Zambia will be unlikely to feed its people. Moreover, as long as export controls exist, commercial farmers will be unable to reap the benefits of higher global food prices.

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